

SCHEDULE A – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company is subject to the rules contained in National Instrument 58-101 and National Policy 58-201 of the Canadian Securities Administrators, which require that the Company disclose information on its corporate governance practices, as described below.

Corporate Governance Disclosure Requirement	Compliance	Comments
1. (a) disclose the identity of directors who are independent.	yes	Fourteen of the fifteen directors are independent. They are Mesdames Anne Bélec, Lise Lachapelle and Mary C. Ritchie and Messrs Pierre Brodeur, Robert Coallier, L.G. Serge Gadbois, Michel Gervais, Robert Lacroix, Gilles Laroche, John LeBoutillier, Francis P. McGuire, Jim Pantelidis, David R. Peterson and Guy Savard. None of these persons or persons related to them holds a position in the Company. Mr. Laroche will not be standing for reelection at the Meeting.
(b) disclose the identity of directors who are not independent and describe the basis for that determination.	yes	A single director, Mr. Yvon Charest, holds a position in the Company and received remuneration in excess of \$75,000.
(c) disclose whether or not a majority of the directors are independent.	yes	Over 90% (thirteen out of fourteen) of the directors whose election to the position of director is proposed by management are independent.
(d) if a director is presently a director of any other issuer that is a reporting issuer in another jurisdiction of Canada or a foreign jurisdiction, identify the other issuer.	yes	All directors who hold the office of director with other public companies are presented under the heading Supplementary Information on Directors in the proxy circular.
(e) disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of such meetings, held in the previous 12 months. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	yes	Independent directors systematically hold meetings at the end of each regular Board meeting. Seven meetings of independent directors were held during the financial year ended December 31, 2007. The Board committees also meet in the absence of management at the end of each regular meeting.
(f) disclose whether or not the chairman of the board is an independent director; disclose the identity of the independent chairman, and describe his role and responsibilities.	yes	<p>The Chairman of the Board is an independent director.</p> <p>The Chairman of the Board has the following role and responsibilities:</p> <p>Manage the activities of the Board and control its effectiveness, establish and manage the Board composition and structure, ensure the perpetual renewal of Board members, set performance standards and define the duties of the members of the Board and committees; ensure the management of the Board and its meetings; orient its deliberations so that sound decisions are made in terms of strategies and policies and make sure that proper monitoring is performed.</p> <p>In conjunction with the President and Chief Executive Officer, establish the agenda of Board meetings and make sure that the Company's strategic orientations, including its vision, mission and values, are defined and submitted to the Board for approval, and that all questions of strategic importance are regularly examined by the Board during the year.</p> <p>Examine and recommend to the Human Resources and Corporate Governance Committee (the "Human Resources Committee") candidates for the Board and participate with this committee in the selection of persons whose candidacy will be submitted to the Board for approval.</p> <p>Recommend the composition of Board committees to the Human Resources Committee.</p> <p>Recommend the remuneration of Board members to the Human Resources Committee.</p>

			<p>Ensure that continuing education and orientation program for directors is developed and maintained.</p> <p>Follow up on decisions made by the Board and its committees.</p> <p>Participate with the Human Resources Committee in the establishment of performance objectives and the evaluation of the President and Chief Executive Officer in accordance with agreed upon objectives.</p> <p>Make sure that the Company complies with the different applicable governance rules, particularly with respect to standards of sound business and financial practices and the guidelines of the Canadian Securities Administrators.</p> <p>At the request of the Board or the President and Chief Executive Officer, represent the Company with its main partners, including shareholders, policyholders, the financial community, government authorities and the public.</p>
	(g)	disclose the attendance record of each director at all board meetings since the beginning of the most recently completed financial year.	<p>yes</p> <p>This information appears in a table to this effect in the Information Circular.</p>
2.		disclose the text of the board's written mandate.	<p>yes</p> <p>In 2005, the Human Resources and Corporate Governance Committee confirmed the mandate of the Board and specified the responsibilities of directors. Hence, a director must:</p> <p>Assume a role of stewardship and supervise the Company's operations and activities.</p> <p>Properly understand the workings of the Company, including its strategic and financial plans and objectives, new issues and trends, strategic initiatives, the appropriation of capital and major expenses, risks and the management of these risks, internal control systems, processes and measures, compliance with relevant laws and regulations, as well as governance, audit and accounting principles and practices.</p> <p>Prepare for each Board and committee meeting by reading the provided documentation and by requesting, if applicable, information that will allow him to properly participate in Board deliberations, provide a well-informed opinion and carry out his supervisory responsibility.</p> <p>Failing compelling reasons, attend all Board and committee meetings and actively participate in deliberations and decisions. When the director cannot be present, he must obtain information on the questions or the matters on the agenda.</p> <p>Exercise his right to vote on all decisions of the Board or its committees, except in the event of conflict of interest.</p> <p>Make sure his personal interests do not conflict or do not appear to conflict with those of the Company and disclose any conflicting situation, if applicable.</p> <p>Act with integrity and according to the highest ethical standards in all his professional activities.</p> <p>Hold an appropriate number of Company shares in order to make sure that his long-term interests are consistent with those of the Company.</p>
3.	(a)	disclose whether or not the board has developed written position descriptions for the chairman of the board and the chairmen of each board committee.	<p>yes</p> <p>In 2005, the Human Resources and Corporate Governance Committee reviewed the responsibilities of the directors, the responsibilities of the Chairman of the Board and the committee chairmen, as well as the responsibilities of the President and Chief Executive Officer, in order to reach a better understanding of the roles and responsibilities of each. This is how the Chairman of each Board committee has come to assume in large part the same responsibilities with respect to his committee as the Chairman of the Board has with respect to the Board. Each committee Chairman is responsible for managing the committee's activities and seeing that they fulfil all mandates entrusted to it by the Board, whether it be through its written charter for a permanent committee or</p>

			resolutions by the Board for a special committee.
	(b)	disclose whether or not the board and chief executive officer have developed a written position description for the chief executive officer.	yes The Board has established a written position description for the position of President and Chief Executive Officer.
4.	(a)	briefly describe what measures the board takes to orient new members regarding:	
	(i)	the role of the board, its committees and its directors, and	yes The Board has established a training and orientation program for new directors. This program includes an individual meeting with certain Company officers.
	(ii)	the nature and operation of the issuer's business.	yes Directors also regularly meet with management and periodically attend presentations on a specific business unit or new facts or events.
	(b)	briefly describe what measures, if any, the board takes to provide continuing education for its directors.	yes From time to time, the Board members attend presentations designed to keep them updated on changes in the Company, as well as regulatory and industry requirements and standards.
5.	(a)	disclose whether or not the board has adopted a written code of ethics for its directors, officers and employees. If the board has adopted a written code:	yes The Company has adopted a Code of Business Conduct for directors and for managers and employees.
	(i)	disclose how an interested party may obtain a copy of the written code;	yes A copy of the Code of Business Conduct can be obtained on request from the Corporate Secretary.
	(ii)	describe how the board monitors compliance with its code, or, if the board does not monitor compliance, how it sees to its compliance;	yes Management annually reports on compliance with the Code of Business Conduct to the Audit Committee.
	(iii)	provide a cross-reference to any material change report filed within the previous 12 months that pertains to any conduct of a director or executive officer that constitutes a departure from the code; and	yes No report of material change has been required or filed.
	(iv)	describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	yes The Chairman of the Board makes sure that no director participates in the discussion on a subject in which the director has a material interest nor exercises his voting right on this subject.
6.	(a)	describe the process by which the board identifies new candidates for board nomination.	yes This responsibility has been assigned to the Human Resources and Corporate Governance Committee, which is composed of four independent directors. In the event of vacancies in the Board, the Human Resources and Corporate Governance Committee recommends candidates to the Board, examines the skills of prospective members and establishes the relevance of their contribution, taking into account the current composition of the Board and the required skills to complement those of the other members of the Board.
	(b)	disclose whether or not the board has a nominating committee composed entirely of independent directors.	yes
	(c)	if the board has a nominating committee, describe the responsibilities, powers and operations of the nominating committee.	yes

7.	(a) describe the process by which the board determines the remuneration of the Company's directors and executive officers.	yes	<p>The Human Resources and Corporate Governance Committee examines the adequacy and form of directors' remuneration and makes recommendations in this respect to the Board to ensure that such remuneration realistically reflects the responsibilities and risks at issue, without compromising the independence of a director. The committee regularly examines the remuneration practices of comparable corporations in view of being consistent with the remuneration of directors. Directors who are members of the Company's management are not remunerated for their services as directors.</p> <p>The Human Resources and Corporate Governance Committee is also responsible for recommending the remuneration of the Company's senior executives to the Board. The remuneration of the President and Chief Executive Officer is approved by the Board.</p>
	(b) disclose whether or not the board has a remuneration committee composed entirely of independent directors.	yes	<p>The Human Resources and Corporate Governance Committee is composed of four independent directors.</p>
	(c) if the board has a remuneration committee, describe the responsibilities, powers and operation of the remuneration committee.	yes	<p>The responsibilities, powers and operation of the Human Resources and Corporate Governance Committee are described in the proxy circular.</p>
	(d) if a compensation consultant or advisor has, at any time since the beginning of the most recently completed financial year, been retained to assist in determining compensation for any of the issuer's officers, disclose the identity of the consultant and briefly summarize the mandate for which they have been retained.	yes	<p>During the last fiscal year, the services of Watson Wyatt were retained by the Human Resources and Corporate Governance Committee to provide support concerning executive compensation. The fees paid for these services were \$ 28,000.</p>
8.	if the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	yes	<p>The roles and responsibilities of each committee are described in the proxy circular.</p>
9.	disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.	yes	<p>The Board has implemented a formal process to evaluate the performance of the board, each board committee and each committee chairman. The evaluation is made through a written questionnaire. The responses are reviewed by the Chairman of the Board who submits a comprehensive written summary to the Human Resources and Corporate Governance Committee which, in turn, reports to the Board. Recommendations that are shared by the independent directors are then implemented. The evaluation process pertaining to the Chairman of the Board is under the responsibility of the Chairman of the Human Resources and Corporate Governance Committee who reports directly to the Board.</p> <p>The individual evaluation process takes place through one-on-one meetings between the Chairman of the Board and each independent director. At these meetings, the workings of the board and board committees as well as the contribution of that director and each other director are discussed. The Chairman of the Board subsequently reports to the Human Resources and Corporate Governance Committee.</p>